



ANNO SEPTIMO

# ELIZABETHAE II REGINAE

A.D. 1958.

\*\*\*\*\*

## No. 44 of 1958.

An Act for the regulation of associations engaged in the business of providing certain benefits in consideration of contributions paid to such associations, and for purposes incidental thereto.

[Assented to 27th November, 1958.]

BE IT ENACTED by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows :

1. This Act may be cited as the "Benefit Associations Act, 1958". Short title.

2. This Act shall come into operation on a day to be fixed by the Governor by proclamation. Commencement.

3. (1) This Act shall not apply to—

Exclusions  
from Act.

(a) any friendly society registered under the Friendly Societies Act, 1919-1956 ;

(b) any organization registered as a medical benefits organization or a hospital benefits organization under the Commonwealth Act entitled the National Health Act, 1953-1957, or the regulations thereunder ;

(c) any person or body corporate which is registered under the Commonwealth Act entitled the Life Insurance Act, 1945-1958 ;

(d) any association of employees registered as an organization under the Commonwealth Act entitled the Conciliation and Arbitration Act, 1904-1956, or under the Industrial Code, 1920-1956 ;

(e) any approved insurer under Part IIA of the Road Traffic Act, 1934-1957 ;

(f) any association declared by proclamation to be exempt from this Act.

(2) A person, society, organization, association or other body such as mentioned in subsection (1) of this section shall not be a benefit association within the meaning of this Act.

interpretation.

4. (1) In this Act unless the context otherwise requires—

“association” means person or body of persons (corporate or unincorporate) ;

“benefit association” means association carrying on any benefit business in the State, either with or without other business ;

“benefit business” means the business of making and carrying out contracts under which an association, in consideration of the payment of contributions, undertakes to make payments to or on behalf of or for the benefit of contributors or others in respect of all or any of the following, namely,

(a) accommodation, maintenance, and nursing service in hospitals ;

(b) medical, surgical, physiotherapeutic, and other therapeutic treatment ;

(c) the provision of drugs, medicines, bandages, and other aids to the treatment of disease ;

(d) dental treatment and services ;

(e) funerals, burials, and cremation.

“director” includes the chairman and any member of the governing body of an association ;

“the Public Actuary” means the person for the time being holding or acting in the office of Public Actuary of the State.

(2) For purposes of this Act an association shall be deemed to carry on benefit business within the State if it provides or undertakes to provide any of the benefits or services mentioned in the definition of benefit business for persons resident in the State, or accepts or collects contributions for any such benefits or services from contributors or members resident in the State.

5. (1) An association shall not carry on medical benefit business or hospital benefit business unless—

Restriction on certain business.

- (a) it is carrying on that business at the time of the passing of this Act ; or
- (b) it is registered as a medical benefits organization or a hospital benefits organization under the Commonwealth Act entitled the National Health Act, 1953-1957 or the regulations thereunder.

(2) In this section—

“hospital benefit business” means the business of making and carrying out contracts under which an association in consideration of the payment of contributions undertakes to make payments to contributors or others in respect of any hospital treatment in relation to which benefit is payable under the laws of the Commonwealth :

“medical benefit business” means the business of making and carrying out contracts under which an association in consideration of the payment of contributions undertakes to make payments to contributors or others in respect of any medical services in relation to which benefit is payable under the laws of the Commonwealth.

(3) The Minister may at his discretion grant an exemption from this section to any association which has made a deposit with the Treasurer of the Commonwealth under the Insurance Act, 1932-1937, of the Commonwealth.

6. (1) Every benefit association shall within three months after the end of each financial year deliver to the Public Actuary a return in the prescribed form relating to its income, expenditure, assets and liabilities and containing the information indicated in the form.

Duty to furnish returns.

(2) Every benefit association shall when so requested by the Public Actuary by a written notice give the Public Actuary within the time specified in the notice any information specified in the notice as to its income, expenditure, assets, liabilities or financial position generally.

7. (1) The Public Actuary may investigate or cause to be investigated the income, expenditure, assets, liabilities, transactions and management of a benefit association, or any other matter arising in the course of the business of any such association.

Investigations by Public Actuary.

(2) For the purpose of any such investigation the Public Actuary may appoint persons to assist him or act on his behalf. Any person so appointed is in this section called "an authorized person".

(3) For the purpose of any investigation being made or about to be made under this Act, the Public Actuary or an authorized person may request a benefit association or a director or officer of a benefit association to supply him, within a time specified by him, with any information relating to the business or transactions of the association. An association or person shall comply with any such request.

(4) The Public Actuary or an authorized person may—

- (a) enter any building or place where the books of account or other records of a benefit association are or are suspected to be ; and
- (b) examine any such books or records ; and
- (c) make copies of any matters recorded in any such books or records.

(5) A benefit association shall when requested by the Public Actuary or an authorized person to do so forthwith produce its books of account and records or any of them for examination by the Public Actuary or authorized person.

(6) Any person having the possession or control of any books of account or records of a benefit association shall when requested by the Public Actuary or an authorized person forthwith produce those books of account or records for examination by the Public Actuary or authorized person.

(7) A person shall not hinder the Public Actuary or an authorized person in doing any act which he is authorized by this section to do.

Provisional  
recommendations where  
a society  
has a  
deficiency.

8. If the Public Actuary after investigation is satisfied that the assets of a benefit association are insufficient to meet its liabilities he may make a provisional recommendation relating to all or any of the following matters :—

- (a) the increase, variation or adjustment of contributions payable to the association by existing or future members or any of them ;
- (b) the reduction, variation or adjustment of benefits payable by the association to existing or future members or any of them ;

- (c) the limitation or reduction of management expenses including commissions and allowances payable by the association ;
- (d) any matters incidental to any of those mentioned in the preceding paragraphs of this section.

9. If the Public Actuary after investigation of a benefit association is satisfied that the assets of the association are in excess of those required to meet the liabilities of the association he may make a provisional recommendation relating to all or any of the following matters :—

Provisional  
recommendations where  
society has  
a surplus.

- (a) the reduction, variation or adjustment of contributions payable by existing or future members or any of them ;
- (b) the use, disposal or distribution of any surplus or profits ;
- (c) the increase, variation, or adjustment of benefits provided for existing or future members or any of them ;
- (d) the limitation or reduction of management expenses including commissions and allowances payable by the association ;
- (e) any matters incidental to any of those mentioned in the preceding paragraphs of this section.

10. (1) The Public Actuary shall deliver a copy of each provisional recommendation to the benefit association to which it applies.

Procedure  
when  
provisional  
recommendation.

(2) At any time within eight weeks after the delivery of a provisional recommendation or within an extended period allowed by the Public Actuary, the association may make representations to the Public Actuary for the purpose of showing cause why the provisional recommendation should not be confirmed or should be varied or added to.

(3) If any such representations are made the Public Actuary after considering and inquiring into them may confirm the provisional recommendation either with or without variations or additions, or may cancel it.

(4) If no such representations are made within eight weeks after the delivery of a provisional recommendation the Public Actuary may forthwith upon the expiry of that period confirm the provisional recommendation.

Power to  
comply with  
recommendations.

**11.** (1) Notwithstanding any Act, law or contract, a benefit association shall have power to make any rules or alterations of rules necessary to carry out any recommendation made by the Public Actuary under this Act.

(2) In this section "rules" includes rules, regulations, by-laws, and other like provisions regulating contributions, benefits, management and other matters relating to a benefit association.

Compliance  
with  
recommendations.

**12.** (1) Every recommendation shall state the time within which anything thereby recommended to be done shall be completed.

(2) If a benefit association to which a recommendation applies does not comply with such recommendation within the time stated therein the Public Actuary may prepare a report on the financial position of the association and direct the association to send a copy of it to each member and contributor within a time specified by the Public Actuary.

(3) An association which receives such a direction shall comply with it.

(4) If a benefit association to which a recommendation applies does not comply with such recommendation within the time stated therein, the association shall not after the time so stated—

- (a) invite any person to become a member of the association ; or
- (b) admit any person to membership of the association ; or
- (c) solicit or accept contributions from any person purporting to have become a member after the time so stated.

Penalty on  
certain false  
statements.

**13.** A benefit association, or a director or employee of a benefit association shall not—

- (a) falsely state that the association is registered or licensed or approved under an Act or regulation (whether of the State or the Commonwealth) ; or
- (b) deliver or exhibit any document in which it is falsely stated that the association is registered or licensed or approved under an Act or regulation (whether of the State or the Commonwealth).

14. (1) A benefit association or a director or employee of a benefit association shall not deliver to any person or publish in any way any written matter soliciting contributions to such association or advertising the benefits to be obtained from the association except in a form approved by the Public Actuary.

Restriction on  
method of  
soliciting  
contributions.

(2) Before approving the form of such matter the Public Actuary shall be satisfied that it accurately and clearly sets forth the benefits to be obtained by such contributions, and that the matter contains no words which could be calculated to mislead the public as to the benefits to be obtained.

15. The Governor may make regulations prescribing—

Regulations.

- (a) forms to be used under this Act ;
- (b) any matters necessary or convenient to be prescribed for the due administration and enforcement of this Act, or for carrying out the objects of this Act ; and
- (c) prescribing penalties recoverable summarily and not exceeding fifty pounds for breach of any regulation.

16. An association or person who fails to comply with any requirement of this Act, or does anything prohibited by this Act shall be guilty of an offence and liable to a fine not exceeding one hundred pounds.

Offences.

17. Proceedings for offences against this Act shall be heard and determined summarily.

Summary  
procedure.

In the name and on behalf of Her Majesty, I hereby assent to this Bill.

R. A. GEORGE, Governor.